

12 April 1972

MEMORANDUM FOR THE RECORD

SUBJECT: Notes on Third Meeting, NSCIC Working Group,
12 April 1972, 1430 hours

1. Present were:

Members:

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| Chairman | Mr. Bronson Tweedy, D/DCI/IC |
| NSC Staff | Mr. Andrew Marshall |
| State Department | Dr. Ray Cline |
| | Mr. Seymour Weiss |
| Defense Department | Dr. Albert Hall, ASD/I |
| | Brig. Gen. Richard Breznahan, JCS (representing Vice Adm. Weinell) |
| | Lt. Gen. Donald Bennett, D/DIA |
| Justice Department | Mr. Kevin T. Maroney, Deputy Assist. Attorney General |
| CIA | Dr. Edward Proctor, DDI |
| | Mr. John Huizenga, D/ONE |

Others:

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| State Department | Mr. Richard Curl | 25X1A9A |
| Justice Department | Mr. Bernard A. Wells | |
| CIA | <div style="border: 1px solid black; height: 20px; width: 150px;"></div> | |

2. The minutes of the 4 February meeting were approved without change.

3. Economic Intelligence Report:

Mr. Tweedy opened the discussion by indicating the DDI report covered only OER activities and Mr. Proctor added that only publications relating to non-communist countries were covered.

Mr. Marshall reported the PFIAB report on economic intelligence (19 December 1971) had been disseminated for comment but his impression was the PFIAB intended no additional initiatives with respect to the recommendations in their report.. However, he said his talks with Ed Allen of Commerce Department, John McGuinness of Treasury, and others gave him the feeling the NSCIC Working Group should form a team to monitor what was going on in foreign economic intelligence throughout Washington as basis for recommendations for NSCIC action. Mr. Marshall said concern had been expressed to him as to the help-fulness of intelligence reports relating to U.S. negotiations. Information

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which would allow appraisal of how hard the positions of other nations were was not being provided to the extent needed.

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The Chairman expressed concern that the U.S. negotiators had not asked for what they want.

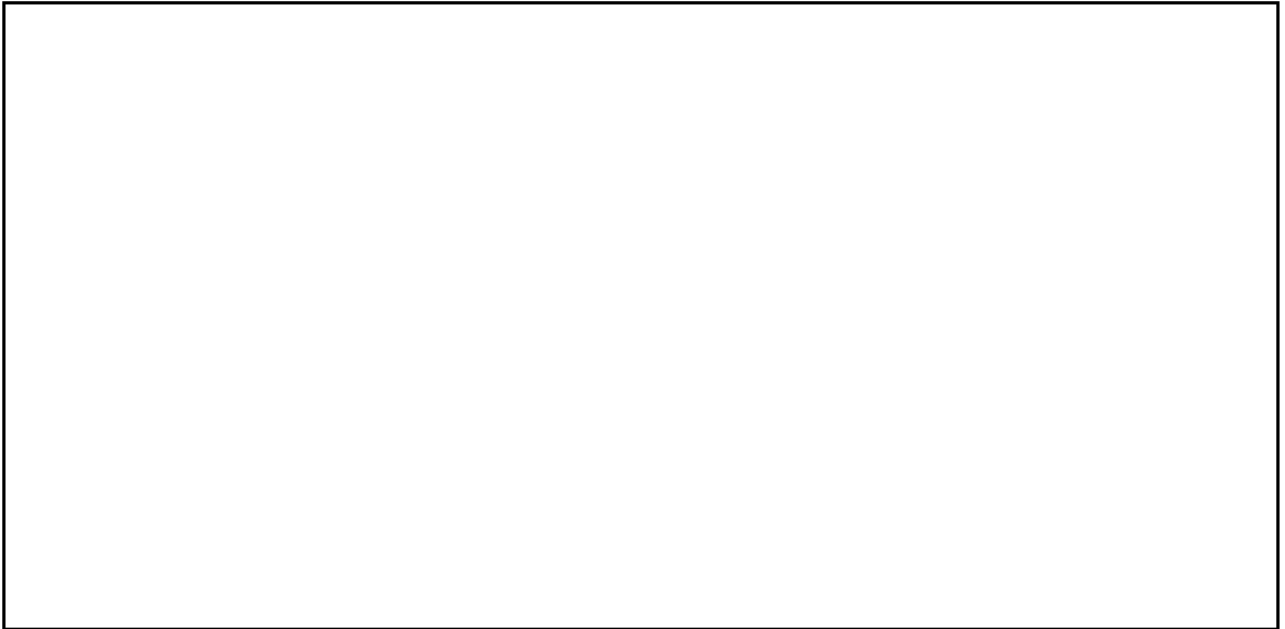
Mr. Marshall conceded that something needed to be done to get the people who say they need economic information to state their needs in a more clearcut fashion and he again suggested assembly of a group to write a report on what the needs for foreign economic intelligence are and a description of what intelligence is doing about these needs.

Mr. Proctor said the EIC Working Group which is examining collection requirements will consider its draft report on 13 April and he noted that the CIEP, Commerce, Agriculture, and other departments were represented on this working group. He also reported that CIEPSM-6 is being developed in preparation for the 1973 tariff negotiations. This, to his knowledge, is the first concerted effort to assemble a statement of the issues which will be involved and it should give an indication as to what intelligence will be needed. He hoped a dialogue among NSC Staff representatives, State, and CIA would provide a better understanding as to what intelligence can and cannot do.

Dr. Cline noted there is a structure for handling economic problems. The CIEP has an operations group chaired by the Deputy Under Secretary of State for Economic Affairs. INR attempts to service this group but the group also requests data from other agencies. He suggested there should be an intelligence working group or analysis group established to support the CIEP operations group. This intelligence working group could focus on questions needing collection and analysis and develop terms of reference for studies. He said INR is attempting to do this but broader participation would be helpful.

Mr. Proctor viewed the problem as two-fold. First there is the matter of analysis and production on general foreign economic matters. The time element is not urgent and most of the information is unclassified and readily available from open publications or diplomatic sources. The second aspect, however, is collection against the negotiating positions of the major trade partners of the United States, and here the key problem is timely access to sources. The problem is difficult because national positions may not really be developed until negotiations actually are underway.

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The Chairman suggested the same requirements be served on State since diplomatic sources could work on these same problems.

Any not?
Mr. Cline agreed but noted that such reports are not normally in intelligence channels and the problem is getting at the information for intelligence analysis purposes.

The Chairman suggested the group should await completion of the EIC report before determining the next step to be taken, but when Mr. Marshall again raised the matter of finding out what is being done by agencies other than CIA, Mr. Proctor agreed to attempt preparation of a description of what is underway in the Departments of Commerce and Agriculture and said he would ask the Treasury to provide an input. Mr. Cline said he would also prepare a report on what is being done on economic intelligence in the Department of State.

4. Report on International Narcotics Traffic:

Mr. Maroney recommended that any further action on this report be held in abeyance (as was recommended in the PRG document) until the CCPC study of intelligence activities against narcotics and dangerous drugs was completed and available for study by the Working Group. This proposal was accepted without further comment.

5. Terms of Reference:

The Chairman noted proposed terms of reference for the Working Group were being disseminated and he requested that members provide any comments by 1 May.

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6. Production Resources:

The Chairman noted that the study on U.S. intelligence production resources which had been disseminated had been prepared to provide basis for future studies relating to the use of production resources.

Dr. Hall commented that he felt the study would be useful, but he noted that what was now needed was the development of criteria for what the Working Group wanted to do with respect to intelligence production programs. He noted that duplication might be one aspect of the problem, but that he was thinking primarily about examining the overall quality of the products. Since covering the waterfront on intelligence production would be too huge a task, he proposed that the problem be approached on a selective basis and that persons from outside the intelligence community be requested to evaluate the output on the particular subject selected for review. He suggested that examination of intelligence production on China during the past two years might be a suitable target.

The Chairman noted there could be an overlap of criteria -- what would we be looking at, how well we are covering China or how well the overall problem is being covered.

Dr. Hall conceded there would be an overlap but the study might well provide ideas which would enable assessment of how well the intelligence community is functioning. He suggested forming a group which would include consumer representatives to examine questions such as how good a job is being done, how much overlap exists, how performance could be improved.

Mr. Proctor said he had no problem with the concept but did have a problem with China as the subject since the problem of production on China already has been almost beaten to death. He suggested a much more narrow and more manageable subject such as a follow-on examination to the India/Pakistan crisis coverage which would involve an evaluation from consumers as to how adequate this coverage was.

General Bennett said he would prefer China as a subject of study since he is concerned as to whether intelligence is working on the right problems. If China was too big a problem, he still would like to focus on some aspect of production on China.

Dr. Hall said his suggestion was there be a review of the function of production so the topic must be a live one.

Mr. Cline indicated that if assessing the adequacy of collection was not to be studied, China would be a much more manageable subject to examine.

Dr. Hall said he hoped the study would be professional enough to enable judgment as to the quality of output in terms of what information was available and how pressing time deadlines were.

The Chairman suggested the focus be on, perhaps, political or military developments in China.

Mr. Huizenga expressed concern as to who could judge the quality of output because, on the basis of his contacts with consultants, he was convinced the best work on China was being done within the intelligence community.

Dr. Hall said that what he felt should be examined was the production function itself, that rules for assessing production should be developed and then the subject for coverage selected.

The Chairman agreed, indicating this would involve examination of how analysts work, whether they have enough time for effective analysis, how good they are, how well paid.

Dr. Hall added that check also would need to be made on whether different organizations were working on the same thing and were the analysts given the right questions. He proposed that attention be given to assigning grades to the products.

General Bennett said he considers it fundamental to assess whether analysts are asked the right questions and whether their output is actually helpful to moving something along since this was the real reason for production. He said his basic concern was with identifying consumer needs.

Mr. Proctor thought the problem had two levels. First, from a consumer standpoint, effort should be made to identify the extent to which papers served the consumer needs and where deficiencies existed. The second level involved calling in outside experts to determine whether these deficiencies should have existed, given the available information and time.

Mr. Cline suggested Dr. Hall develop a terms of reference on the kind of study he had in mind and Dr. Hall agreed to do so, but indicated he would hope to have assistance from State, CIA, and the NSC Staff.

The Chairman noted that the matter of duplication had been mentioned and he suggested that assembly of an inventory of standard production entities might be a proper first step.

Mr. Proctor noted that the matter of overlap in current intelligence production comes up frequently. He said that every major field commander feels he needs his own current intelligence publications and there are a number of quite specialized current publications. He felt a review of current intelligence publications would be appropriate.

Dr. Hall said he felt there were too many.

Mr. Cline said a related problem involved publication of various handbooks on individual countries for individual purposes.

Dr. Hall noted that duplication was not the main thrust of what the Working Group was concerned with, but he thought the conclusions with respect to duplication were related to the study of intelligence production.

General Bennett said that he considered the main area of duplication in current intelligence was in Washington which is the only place where interest is worldwide. At other levels, the current intelligence digests from Washington do not contain the amount of detail needed by consumers responsible for particular areas of the world. He felt there was a pressing requirement for local versions of current intelligence publications.

Mr. Proctor said he would not say this was not right but merely that the situation deserved another look.

Dr. Hall said the Working Group itself could recognize the supplemental needs but that someone outside the intelligence community might be less understanding.

The Chairman stated that the PRG would assemble an inventory of current intelligence publications as basis for further Working Group action.

7. India/Pakistan Crisis:

At the request of the Chairman, Mr. Marshall reported on the India/Pakistan study for which he has responsibility. A task group of representatives from State, Defense and CIA has been assembled and is examining intelligence relating to the March-December 1971 period. The report will examine expressions of top-level needs and identify areas in which responses seem to have been inadequate and focus attention there. A master list of questions is being prepared to serve as the basis for interviews with selected high-level decision-makers. Mr. Marshall expects to have a draft ready by early May.

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8. NSSM-69 Study:

Mr. Marshall said he expected a report on the adequacy of intelligence support for NSSM-69 by mid-May. Lucas Fischer of OMB is chairman of the working group. He has examined the NSSM-69 documentation and related intelligence inputs and defined a number of issues. Two four-man panels, one on strategic forces and one on conventional forces, are examining these issues and will submit a report by 21 April. Mr. Marshall and Mr. Fischer will draft a report from the panel inputs. Mr. Marshall noted that the panels include several men who had participated in development of the intelligence inputs to NSSM-69 but others on the panels had had no previous connection with the study.

9. The meeting adjourned at 1545 hours. No date for the next session was set.

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Chief, PRG/IC

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1 - Mr. Tweedy

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